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## Consumer Relief When All Else Fails

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- **The Contractor Transaction Recovery Fund** is a *payer of last-resort* for consumers taken advantage of by Virginia-licensed residential contractors.
- Licensed residential contractors pay into the Recovery Fund as an alternative to a surety bond, but the Fund is not designed to imply a "satisfaction or your money back" guarantee for consumers.
- The law requires consumers *first* go to court and obtain a judgment order against the contractor for improper or dishonest conduct, and then pursue **standard legal methods for debt collection**—such as interrogatory attempts to identify the debtor's income or assets.
- Federal law prevents debt collection against individuals under bankruptcy protection, so in cases where the licensed contractor files for bankruptcy, consumers first must file their claim with the proper bankruptcy court. The Recovery Fund is available as an option only if no distribution is made or if a partial distribution fails to satisfy the consumer's claim.
- More complicated than filing an insurance claim, state law requires eligible consumers to ***exhaust all other legal avenues*** for collecting monies owed to them from the contractor *before seeking relief* from the Recovery Fund.
- As a matter of public policy, the General Assembly established this process to balance justice and consumer protection. The *individual contractor* responsible for the improper or dishonest conduct **should be the one paying** the judgment, rather than the Recovery Fund financed entirely by all the other contractors who play by the rules.
- Claimants should keep in mind that obtaining assistance from the Recovery Fund is **NOT a quick or automatic process** and occurs only after all civil legal remedies are completed. *Filing a claim does not guarantee payment.*

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FOR MORE INFORMATION:

[www.dpor.virginia.gov/Boards/Contractors\\_Recovery\\_Fund](http://www.dpor.virginia.gov/Boards/Contractors_Recovery_Fund)  
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